Income tax exemption for State Maritime Board

3546. SHRI JAYANTILAL BAROT:
SHRI KESHUBHAI S. PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether Income Tax applicability exists to State Maritime Board;

(b) whether Income Tax is applicable to the organization under the control of State Government, which is fully public utility organization without any motive to earn profit;

(c) whether Income Tax is applicable to the organization who performs the activities in the larger interest of general public; and

(d) whether the Central Government are considering to exempt Income Tax for the State Maritime Board?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) No specific exemption from tax is provided to any State Maritime Board under the Income-tax Act, 1961. However, any organization, including a State Maritime Board, working for the advancement of an object of general public utility with no profit motive, is eligible for exemption from income-tax under sections 11 and 12 of the said Act as a charitable organisation, after satisfying the conditions laid down in those sections.

(d) No, Sir.

Regulations on Inter-Bank Liability

3547. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has announced regulations on Inter-Bank Liability (IBL) to control concentration risk on the asset side and also systemic risks that might arise as a result of uncontrolled ABLs;

(b) if so, the details of these regulations;

(c) whether the RBI has also cautioned that banks having a high

concentration of wholesale deposits should be aware of potential risk associated with such deposits; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Reserve Bank of India has issued guidelines to banks on 6th March, 2007 prescribing limits of inter-bank liability (IBL) to control concentration risk arising thereby. The guidelines, *inter-alia*, provide that IBL of a bank should normally not exceed 200% of its net-worth as at end of previous year. However, banks who Capital to Risk Weighted Assets is at least 11.25% at the end of the previous year are allowed to have a higher limit up to 300% of their net-work for IBL. The guidelines are available at RBI website www.rbi.org.in.

(c) and (d) Yes, Sir. In terms of Para 2(f) of the circular referred to above, the banks having high concentration of wholesale deposits have been advised to be aware of potential risk associated with such deposits and frame suitable policies to contain the liquidity risk arising out of excessive dependence on such deposits.

Provident Fund for members of CII and ASSOCHEM

3548. SHRI PENUMALLI MADHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the members of CII and ASSOCHEM are due to pay their workers share of provident fund to the tune of rupees 1,500 crores; and

(b) if so, what are the steps the Minister is contemplating?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The record of establishments, which are members of CII and ASSOCHEM, is not maintained by Employees' Provident Fund Organisation separately. However, as on 31.3.2006, an amount of Rs. 2530.07 crore was outstanding from the defaulting establishments. The outstanding amount is inclusive of default in employees' share.

(b) For recovery of outstanding dues, all actions as provided under the